SUMMARY OF BANK INDONESIA LAWS AND REGULATIONS

Regulation : Circular Letter No.11/ 8 /DPM Dated March 27, 2009 regarding the Procedures for Bank Indonesia Syariah's Deposit Facility (FASBIS) Transactions in Rupiah

Effective : April 1, 2009

Summary :

I. GENERAL REQUIREMENTS

1. FASBIS uses the *akad wadiah* (depository).

2. FASBIS has a maximum period of 14 (fourteen) calendar days as from the transaction completion date up to the maturity date.

3. BI may give a compensation for the funds in FASBIS with the following calculation:

$$\begin{array}{c}\text{FASBIS}\\\text{Compensation}\end{array} = \begin{array}{c}\text{FASBIS}\\\text{Nominal}\\\text{Value}\end{array} \text{ x } \frac{\text{FASBIS Period}}{360} \text{ x } \begin{array}{c}\text{level of FASBIS}\\\text{compensation}\end{array}$$

4. FASBIS cannot be traded/mortgaged/cashed before maturity date.

5. BI may open/change/close FASBIS *window time* and announce it through BI-SSSS, LHBU System and/or by other means as stipulated by Bank Indonesia.

6. Only direct participants (Banks and/or Brokers) can join FASBIS.

7. A Bank (as a direct/indirect participant) may apply for FASBIS if the bank is not being imposed with a sanction of temporary suspension to participate in OMS activities.

8. FASBIS shall be applied by a Bank (as a direct/indirect participant) only for its own interest.

9. Brokers are prohibited from applying for FASBIS for their own interest.

10. FASBIS funds shall be settled on the day of the transaction (*same day settlement*).

II.   APPLICATION FOR FASBIS TRANSACTION OFFERING

1.   BI *cq.* DPM-BOpM shall announce the provision of FASBIS by no later than FASBIS *window time* opening (T+0).

2.   The FASBIS quantity offering shall be applied for to BI *cq.* DPM-BOpM through BI-SSSS.

3.   FASBIS *window time* shall be from 04.00 p.m. West Indonesia Time (WIB) to 05.00 WIB on every business day.

4.   FASBIS shall be applied for in a minimum amount of Rp.1,000,000,000.00/participant or in greater amounts as the multiples of Rp.100,000,000.00.

5.   BI shall announce the applications for FASBIS offering received to direct participants through BI-SSSS facility and/or other facilities.

IV.   SETTLEMENT OF TRANSACTION AND FASBIS

1.   FASBIS Funds shall be settled immediately upon the expiry of the FASBIS transaction time by debiting the relevant Bank's Clearing Account in the nominal value of the FASBIS quantity offering received.

2.   In the event that the Bank's Clearing Account balance is insufficient to cover all the obligations of Fund Settlement which must be settled up to the *cut-off warning* time of BI-RTGS system, the FASBIS transaction of the Relevant Bank shall be declared null.

3.   A FASBIS transaction shall be settled at the maturity date of the FASBIS transaction in the nominal amount plus compensation (if any) by crediting the Clearing Account of the relevant Bank.

V.   PROCEDURES FOR THE IMPOSITION OF SANCTIONS

1.   In the event that a FASBIS transaction is declared null, the Bank shall be imposed with the following forms of sanctions:

a. written warning, and

b. obligation to pay $1^0/_{00}$ (one per mil) of the nominal value of the FASBIS transaction declared null or in the maximum amount of 1,000,000,000.00 (one billion Rupiah).

2. In the event that a FASBIS transaction is declared null for the third time within a period of 6 (six) months, in addition to the sanction as intended in point 1, the Bank shall be imposed with a sanction of temporary suspension to participate in OMS activities for 5 (five) business days consecutively.

3. The written warning letter and Notification of the sanction of temporary suspension to participate in OMS activities shall be given 1 (one) business day upon the cancellation of the transaction.

4. The sanction to pay shall be imposed by debiting the relevant Bank's clearing account 1 (one) business day upon the cancellation of the FASBIS transaction.

I. CLOSING

The provisions in this Circular Letter shall be effective as from April 1, 2009.

DPM